



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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January 26, 2007

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **JEWISH VOCATIONAL SERVICES CONTRACT REVIEW – REFUGEE  
EMPLOYMENT PROGRAM**

We have conducted a program and fiscal contract review of Jewish Vocational Services (JVS or Agency), a Refugee Employment Program (REP or Program) service provider for Fiscal Year 2006-07.

**Background**

The Department of Public Social Services (DPSS) contracts with JVS, a private, non-profit, community-based organization to provide job-training and employment services to refugees who have resided in the United States for less than five years. The Agency's services include providing language, vocational and on-the-job work training and job seeking skills, assisting participants in retaining employment and paying for work related expenses such as transportation and union dues. The population that JVS serves resides in the Third District.

DPSS pays JVS a fixed fee for each type of service based on budgeted program costs and anticipated service levels. DPSS paid JVS \$451,512 for Fiscal Year 2005-06.

**Purpose/Methodology**

The purpose of the review was to determine whether JVS has complied with its contract terms and appropriately accounted for and spent program funds in providing services to the eligible participants. We also evaluated the adequacy of the Agency's accounting

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records, internal controls and compliance with federal, State and County program guidelines.

### **Results of Review**

JVS provided services required by the County contract using the appropriate number of staff who possessed the qualifications required by the County contract. The program participants stated that the services they received from JVS generally met their expectations. In addition, the expenses that the Agency charged the program were allowable and properly documented.

### **Review of Report**

On December 18, 2006, we discussed our report with JVS management who concurred with our report. In their attached response JVS management indicates agreement with our report. We also notified DPSS of the results of our review.

We thank JVS for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Bryce Yokomizo, Director, Department of Public Social Services  
Claudia Finkel, Chief Operating Officer, Jewish Vocational Service  
Public Information Office  
Audit Committee

**REFUGEE EMPLOYMENT PROGRAM  
JEWISH VOCATIONAL SERVICE  
FISCAL YEAR 2006-2007**

**ELIGIBILITY**

**Objective**

Determine whether Jewish Vocational Services (JVS or Agency) provided the services to individuals that meet the eligibility requirements of the Refugee Employment Program (REP or Program).

**Verification**

We evaluated a sample of 20 (12%) of the 164 program participants that received services during August 2006 including reviewing their case files for documentation to confirm the participants' eligibility for program services. The Department of Public Social Services requested a review of this contract period.

**Results**

All program participants sampled were eligible to receive program services. JVS also maintained appropriate documentation to support the participants' eligibility to receive program services.

**Recommendation**

**There are no recommendations for this section.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether JVS provided the services billed in accordance with their contract and the program participants received those services.

**Verification**

We reviewed the documentation contained in 20 (12%) program participant case files that received services in August 2006, to ensure that the services billed were provided in accordance with the County contract. We also interviewed 11 program participants to confirm the services JVS billed DPSS were provided.

**Results**

JVS appropriately provided language, vocational and on-the-job work training, job seeking skills, assisted in attaining employment and paid work related expenses such as, transportation and union dues. In addition, the program participants stated that the services they received from JVS met their expectations.

**Recommendation**

There are no recommendations for this section.

**SERVICE/STAFFING LEVELS****Objectives**

Determine whether JVS's actual service and staffing level did not significantly vary from planned levels.

**Verification**

We reviewed billing statements for August 2006 and compared them to the Agency's proposed service levels for the same periods. In addition, we interviewed staff and reviewed JVS's employee roster.

**Results**

JVS's reported service levels for our review period increased by 100% due to an increase in the number of cases referred to the Agency by DPSS. The Agency's actual staffing level of five full time equivalent staff decreased by 14% from the planned level. However, as noted in other sections of our report, the reduction in staffing did not impact JVS provision of services.

**Recommendation**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS****Objective**

Determine whether JVS' staff possessed the qualifications required by the contract.

**Verification**

We reviewed the personnel files of seven staff for documentation to confirm staff qualifications.

**Results**

Each of JVS's staff possessed the required employment eligibility verification, training, reading, writing and speaking requirements identified in the contract.

**Recommendation**

**There are no recommendations for this section.**

**CASH/REVENUES****Objective**

Determine whether cash receipts and revenue are properly recorded in the Agency's records and deposited timely in their bank account. Determine whether there are adequate controls over cash, petty cash, and other liquid assets.

**Verification**

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's August 2006 bank reconciliation.

**Results**

JVS properly recorded and deposited cash receipts timely in the Agency's bank account. JVS also performed monthly reconciliations to ensure adequate controls over cash. In addition, reconciling items appeared valid and were cleared in a timely manner.

**Recommendation**

**There are no recommendations for this section.**

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented, and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records, and reviewed documentation for nine non-personnel expenditure transactions billed by the Agency for August 2006 totaling \$6,268.

**Results**

JVS's expenses were allowable, accurately billed to DPSS and properly documented as required.

**Recommendation**

There are no recommendations for this section.

**INTERNAL CONTROLS****Objective**

Determine whether the contractor maintained sufficient internal controls over its business operations.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, and tested transactions in various areas such as expenditures, payroll and personnel.

**Results**

JVS maintained sufficient internal controls over its business operations.

**Recommendation**

There are no recommendations for this section.

**FIXED ASSETS AND EQUIPMENT****Objective**

Determine whether JVS's fixed assets and equipment purchases made with program funds are used for the program and that the items are safeguarded.

**Verification**

We interviewed JVS personnel and reviewed the Agency's fixed assets inventory listing. In addition, we also performed a physical inventory of ten items funded by the program to verify existence and that the property was being used as required.

**Results**

JVS's items purchased with REP funding were used for the program. In addition, the Agency adequately safeguarded the items.

**Recommendation**

There are no recommendations for this section.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll is appropriately charged to the program. In addition, determine whether personnel files are maintained as required.

**Verification**

We reviewed payroll expenditures for seven employees during August 2006, totaling \$5,297. We also interviewed staff and reviewed the personnel files of staff assigned to the program.

**Results**

The Agency program staff salaries were supported with time cards and charged appropriately to the program. In addition, JVS maintained personnel files in accordance with the County contract.

**Recommendation**

There are no recommendations for this section.

**COST ALLOCATION PLAN****Objective**

Determine whether JVS's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

**Verification**

We reviewed JVS's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency during August 2006 to ensure that the expenditures were properly allocated to the appropriate programs.

**Results**

JVS's Cost Allocation Plan was prepared in compliance with the County contract requirements and costs were appropriately allocated.

**Recommendation**

There are no recommendations for this section.

**PRIOR YEAR FOLLOW-UP****Objective**

Determine the status of the recommendations reported in the prior audit review.

**Verification**

The most current audit report issued on the Agency did not have recommendations.





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Ted Nave  
Sally Paul  
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December 18, 2006

J. Tyler McCauley  
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### Contract Review Response

Dear Mr. McCauley:

JVS has reviewed the draft report issued by your Department after a Program and Fiscal Contract review of Jewish Vocational Service (JVS or Agency) Refugee Employment Program (REP or Program). The Auditor-Controller's Countywide Contract Monitoring Division conducted the review for Fiscal Year 2006-2007.

The purpose of the review was to determine whether JVS has complied with contract requirements and accounted appropriately for the funds received to provide services to eligible participants.

The program and fiscal review demonstrated that JVS strictly adhered to the Contract requirements and County fiscal policies.

JVS is in complete agreement with the results of the report, which was discussed with JVS management staff in the preliminary exit interview on November 20, 2006.

We thank the staff from the Contract Monitoring Division for their insights, cooperation and assistance.

Sincerely,

Claudia Finkel  
Chief Operating Officer

### Jewish Vocational Service

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